

ASSEMBLY BILL

No. 1005

Introduced by Assembly Member Block

February 27, 2009

An act to add Sections 5017.5 and 5103.5 to the Business and Professions Code, relating to accountants.

LEGISLATIVE COUNSEL'S DIGEST

AB 1005, as introduced, Block. California Board of Accountancy.

Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy. Existing law sets forth the duties of the board in that regard, and requires all board meetings to be open and public. Existing law authorizes the board to receive and investigate complaints against an accountant licensee or any person acting as an accountant without a license.

This bill would require the board to broadcast, live, each of its board meetings from its Internet Web site. The bill would also require the board to post on its Internet Web site notice of any formal accusation filed by the board against a licensee. The bill would make specified findings and declarations.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The Enron, WorldCom, Tyco, and similar stock scandals,
- 4 the subprime mortgage scandal, and the Madoff scandal have cost

1 Americans and California consumers, nonprofits, and businesses
2 billions of dollars of lost wealth.

3 (b) In each scandal, accountants and accounting firms have
4 played a key role in facilitating these frauds.

5 (c) Despite the hundreds of millions in settlements paid by
6 accounting firms as a result of these and similar scandals, the
7 amount of wealth lost and damage done to pensions, savings, and
8 investment capital has not and never will be recovered.

9 (d) Accountants are not regulated nationally, and only the states
10 can prevent a person from acting as a certified public accountant.
11 The most vigorous regulation of the profession in California is
12 required to help ensure that future Californians will not be harmed
13 by similar scandals.

14 (e) Therefore, to ensure that the regulation of accountants is
15 transparent and that the California Board of Accountancy is held
16 accountable to the public, it is necessary to enact the provisions
17 of this act.

18 SEC. 2. Section 5017.5 is added to the Business and Professions
19 Code, to read:

20 5017.5. The board shall provide a live broadcast of each of its
21 board meetings from its Internet Web site.

22 SEC. 3. Section 5103.5 is added to the Business and Professions
23 Code, to read:

24 5103.5. The board shall post on its Internet Web site notice of
25 all formal accusations filed by the board against a licensee.